

Message Text

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ACTION EA-12

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FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 8430

S E C R E T SECTION 1 OF 2 SEOUL 10890

E.O. 11652: GDS

TAGS: PKIT, ECON, MILL, KS, US

SUBJECT: KOREAN THIRD COUNTRY RELATIONS

1. THE EMBASSY IS FORWARDING TO ALL POSTS AN AIRGRAM REPRESENTING A STUDY OF ROK-THIRD COUNTRY RELATIONS, REVIEWING THE CURRENT SITUATION, PROJECTING EXPECTATIONS FOR THE APPROACHING FIVE-YEAR PERIOD, AND OUTLINING THE US POLICY EVOLUTION THAT APPEARS TO BE CALLED FOR IN THE PERIOD AHEAD. THE MAIN POINTS OF THIS STUDY ARE SUMMARIZED IN THIS MESSAGE.

2. INTRODUCTION AND BACKGROUND: THE TRANSFORMATION OF KOREAN SOCIETY THAT HAS OCCURED IN THE PAST 15 YEARS, DOMINATED BY THE NATION'S REMARKABLE ECONOMIC GROWTH, HAS BEEN ACCOMPANIED BY PRONOUNCED CHANGES IN THE ROK'S FOREIGN RELATIONS. PERHAPS THE MOST PROMINENT FEATURE OF THIS EVOLUTION HAS BEEN THE DIVERSIFICATION OF ROK INTERNATIONAL TIES FROM THE PREVIOUS NEARLY COMPLETE PREOCCUPATION WITH THE US, TO A DRAMATICALLY INCREASED AWARENESS OF THE REST OF THE WORLD. STARTING IN 1965 THE MAJOR FOCUS OF THIS BROADENING PROCESS HAS BEEN JAPAN, WHICH IS AND WILL PROBABLY REMAIN FOR SOME TIME TO COME THE SECOND MOST IMPORTANT NATION FOR SOUTH KOREA. IN THE PAST FEW YEARS, HOWEVER, THE MOST PRONOUNCED CHANGES HAVE OCCURRED AND WILL PROBABLY CONTINUE TO OCCUR IN ROK TIES WITH OTHER PARTS OF THE WORLD.

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3. THE FIRST AND OVERRIDING ROK OBJECTIVE IN FOREIGN AND DOMESTIC RELATIONS IS OF COURSE SECURITY. CLOSELY INTEGRATED WITH THIS ULTIMATE CONCERN ARE (A) CONTINUED CLOSE TIES WITH THE US AND JAPAN; (B) CONTINUED RAPID ECONOMIC GROWTH; (C) INCREASED INTERGRATION AND STATUS IN THE WORLD COMMUNITY IN GENERAL. (THIS GOAL IS PURSUED

LARGELY BUT NOT EXCLUSIVELY IN TERMS OF COMPETITION WITH NORTH KOREA, IN THE UNITED NATIONS AND ELSEWHERE, AND CARRIES WITH IT THE SUBORDINATE OBJECTIVE OF MODIFYING ROK DEPENDENCE ON THE US AND JAPAN); (D) IMPROVED RELATIONS OR REDUCED HOSTILITY WITH NORTH KOREA AND ITS COMMUNIST ALLIES. REUNIFICATION REMAINS AN ULTIMATE GOAL BUT IS ACKNOWLEDGED ESSENTIALLY BY ALL KOREANS TO BE A DISTRANT ONE.

4. ROK-THIRD COUNTRY RELATIONS ESSENTIALLY INVOLVE THE INTERRELATED PURSUIT OF (B) (C) AND (D) ABOVE. THE NATION'S EBULLIENT ECONOMY PROVIDES MOST OF THE MOTIVE FORCE FOR THE COUNTRY'S DIPLOMATIC AND POLITICAL ENDEAVORS, SOMETIMES LEADING, SOMETIMES FOLLOWING THEM. THIS ECONOMIC ACTIVITY INCLUDES TWO WAY TRADE OF OVER TWENTY BILLION DOLLARS IN 1977, OVERSEAS CONSTRUCTIONS CONTRACTS OF THREE TO FOUR BILLION DOLLARS WRITTEN DURING THE SAME YEAR, AND A SMALL BUT GROWING QUANTITY OF OVERSEAS INVESTMENT. THE ROK HAS ALSO BECOME AN AID DONOR NATION AND IS EXPANDING ITS ACTIVITIES IN THAT FIELD STEADILY.

5. AS FOR TRADITIONAL DIPLOMATIC ACTIVITIES, THE ROK NOW HAS FORMAL RELATIONS WITH OVER ONE HUNDRED COUNTRIES. INTERNATIONAL VISITORS TO SEOUL HAVE BEEN A MAJOR FACTOR, WITH 120 DELEGATIONS VISITING SEOUL IN 1976, AND A SIMILAR NUMBER IN 1977. THE ROK REMAINS CONCERNED
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OVER ITS POSITION AT THE UN, FEELING THAT THE PRESENT SITUATION COULD EASILY DETERIORATE AND LEAD TO A RENEWED CONFRONTATION. DESPITE THE CONTINUED ANXIETY ENGENDERED BY THE INHERENT SECURITY SITUATION IN KOREA, THE ROK HAS COME TO DISPLAY AN INCREASING CONFIDENCE IN ITS DEALINGS WITH THE WORLD AT LARGE.

6. THE ROK NEVERTHELESS FACES SERIOUS PROBLEMS IN ITS WORLDWIDE EFFORTS. OF PARTICULAR CONCERN ARE ITS SECURITY SITUATION AND CONTROVERSIAL STATUS AS A SUBJECT OF CONTENTION BETWEEN THE COMMUNIST AND NON-COMMUNIST WORLD, AND HEAVY DEPENDENCE ON FOREIGN RESOURCES AND FOREIGN MARKETS FOR ITS TRADE-ORIENTED ECONOMY. AS REGARDS THE FORMER ISSUE, THE ROK CONTINUES TO BE REGARDED BY THE MORE IDEOLOGICALLY ORIENTED THIRD WORLD COUNTRIES AS A HARDLINE ANTI-COMMUNIST STATE, DESPITE THE ESSENTIALLY PRAGMATIC APPROACH SEOUL HAS FOLLOWED FOR A NUMBER OF YEARS. FOR THIS AND OTHER REASONS, ROK RELATIONS WITH THE NON-ALIGNED ARE LIKELY TO REMAIN A SOURCE OF CONCERN.

7. THESE DEVELOPMENTS OF COURSE CONVEY MANY SIGNIFICANT ADVANTAGES FOR THE UNITED STATES. A STRONGER ROK

MORE FULLY INTEGRATED INTO THE WORLD'S POLITICAL AND ECONOMIC STRUCTURE HAS LONG BEEN A STATED US OBJECTIVE. THE INTEGRATION SHOULD HELP TO LIGHTEN THE US SECURITY LOAD, IN PART BY MAKING IT MORE DIFFICULTY FOR OTHER NATIONS TO REMAIN AS INDIFFERENT AS THEY MAY HAVE BEEN TO THE ROK'S WELFARE. THE BURDEN OF US SPONSORSHIP FOR THE ROK IN THE UN AND OTHER DIPLOMATIC FORA SHOULD BECOME EASIER AS THE TRADITION OF THE ANNUAL UN DEBATE IS BROKEN AND THE ROK INCREASINGLY CONDUCTS ITS OWN DIPLOMATIC RELATIONS. SEOUL SHOULD ALSO PLAY AN INCREASINGLY CONSTRUCTIVE ROLE IN INTERNATIONAL RELATIONS, BOTH BILATERAL AND MULTILATERAL, AS THE ROK BECOMES INCREASINGLY RECOGNIZED AS A MODEL FOR OTHERS SEEKING EFFECTIVE DEVELOPMENT PATTERNS. THERE ARE NEGATIVE FACTORS

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FOR THE US OF COURSE. THE ROK HAS BECOME COMPETITIVE IN MANY SECTORS OF THE US MARKET AND AS KOREAN TECHNOLOGY ADVANCES IT WILL BEGIN TO COMPETE AS WELL WITH US EXPORTS OVERSEAS. IN PARTICULAR KOREAN INITIATIVES IN ARMS SALES FORESHADOW DEVELOPMENT OF THE ROK AS AN ADDITIONAL CONTRIBUTOR TO THE INTERNATIONAL ARMS TRAFFIC, AND SUCH SALES WILL BE INCREASINGLY DIFFICULT TO CONTROL. INCREASED STRENGTH AND INDEPENDENCE OF THE ROK IN THE WORLD AT LARGE WILL OF COURSE INDUCE OTHER DIFFERENCES WITH THE US ALTHOUGH CLOSE TIES WITH THE US WILL BE A MAJOR TENET OF ROK POLICY FOR MANY YEARS TO COME. (THE DANGER OF ROK DIPLOMATIC GAFFES WILL ALSO INCREASE.)

8. POLICY IMPLICATIONS: INASMUCH AS MOST OF THE PROCESS DESCRIBED ABOVE IS EVOLUTIONARY, US POLICY IS LESS LIKELY TO REQUIRE DRAMATIC DECISIONS THAN A CONCOMITANT EVOLUTION OF ATTITUDES. THE PRESENT BASIC LINES SHOULD CONTINUE IN EFFECT WITH REGARD TO SECURITY, DIPLOMATIC

AND ECONOMIC ACTIVITY. AS REGARDS TO SECURITY, THE US GUARANTEE WILL REMAIN BASIC FOR THE STABILITY OF ASIA IN GENERAL AND FOR KOREA. CONTINUED EFFORTS TOWARD MORE NORMAL RELATIONS WITH THE PRC SHOULD BE TOLERABLE TO THE ROK IF THE RESULTS PROMISE REASSURANCE REGARDING KOREAN SECURITY, BUT SEOUL WILL REMAIN EXTREMELY SENSITIVE TO REAL
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OR IMAGINED HINTS OF A US PULLOUT. WE WILL HAVE TO BE ON THE LOOKOUT IN ASIA AND ELSEWHERE FOR CONFLICTS OF INTEREST IN MATTERS SUCH AS MILITARY SALES. US INVOLVEMENT AS A MIDDLEMAN MAY PROVIDE ADVANTAGES TO ALL CONCERNED ON MANY OCCASIONS BUT COULD ALSO PRESENT RISKS AND WOULD HAVE TO EXAMINED WITH CAUTION.

9. POLITICALLY THE REMOVAL OF THE KOREAN ITEM FROM THE UN AGENDA SHOULD REDUCE THE US DAY-TO-DAY SPONSORSHIP ROLE IN ROK DIPLOMATIC ACTIVITIES, NOT ONLY IN MATTERS DIRECTLY RELATED TO THE UN BUT ALSO IN ROK BILATERAL AND MULTILATERAL RELATIONS. NONETHELESS SEOUL WILL LOOK TO WASHINGTON FOR ASSISTANCE IN DEALING WITH NORTH KOREAN BOTH ON THE KOREAN PENINSULA AND IN THEIR CONTINUED WORLDWIDE COMPETITION. BEARING IN MIND THE CONTINUED POSSIBILITY OF SHIFTS IN THE US THAT MIGHT AGAIN MAKE KOREA THE SUBJECT OF DEBATE WE SHOULD BE PREPARED TO COOPERATE THERE AND IN OTHER ORGANIZATIONS AS NECESSARY, AS WELL AS IN SPECIFIC BILATERAL RELATIONSHIPS. THIS WOULD INCLUDE PROVIDING THE ROK WITH INFORMATION AND COMMUNICATIONS ASSISTANCE AS REQUIRED. HOWEVER, WE SHOULD SEEK INCREASINGLY TO LET THE ROK PROCEED ON ITS OWN AND ON ITS OWN MERITS IN DIPLOMATIC RELATIONS. IN GENERAL WE SHOULD CONTINUE TO ENCOURAGE IN LOW-KEY FASHION ROK ACTIVITIES DESIGNED TO BROADEN THE COUNTRY'S BASE OF INTERNATIONAL SUPPORT IN GENERAL, AS OPPOSED TO POLICIES ADOPTED SOLELY IN RESPONSE TO NORTH KOREAN INITIATIVE.

10. ECONOMICALLY, ALTHOUGH KOREA MAY COMPETE WITH THE US FOR THIRD-COUNTRY MARKETS IT MAY EQUALLY PLAY A COMPLEMENTARY ROLE LIKE THE ONE NOW EMERGING IN THE MIDDLE EAST. WE SHOULD CONTINUE TO ENCOURAGE SUCH ACTIVITY AND
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SHOULD WELCOME CLOSER INTEGRATION OF THE KOREAN ECONOMY WITH THE REST OF THE WORLD. THE ROK'S EXPANDING ROLE

IN MULTILATERAL ECONOMIC ORGANIZATIONS ALSO DESERVES US SUPPORT.
THIS SUPPORT OF COURSE SHOULD BE BASED ON THE ROK'S OWN
PERFORMANCE RATHER THAN ON OUR SPECIAL RELATIONSHIP. AS
THE ROK BECOMES MORE AN AID DONOR WE SHOULD BE PREPARED
TO OFFER ADVICE AND ENCOURAGEMENT TO THAT PROCESS AS
REQUESTED. AT THE SAME TIME WE WILL HAVE TO WATCH
FOR MOVES TOWARD PREFERENTIAL ECONOMIC RELATIONSHIPS,
PARTICULARLY IN ASIA, BUT ALSO ELSEWHERE.

11. THE EMBASSY WOULD WELCOME COMMENTS IN RESPONSE TO THIS
MESSAGE AND TO THE MORE DETAILED PRESENTATION CONTAINED IN THE
AIRGRAM THAT FOLLOWS.
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